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- ** MOTOR CYCLES, AIRCRAFT, RAILWAY EQUIPMENT, CIVIL ENGINEERING PLANT AND EQUIPMENT, PACKAGING AND FUELS, are all to be the subject of exercises aimed, in particular, at reducing or eliminating any pollution produced by them; these exercises are part of the action for the removal of technical obstacles to trade. The Commission of the European Communities recently laid before the Council of Ministers a SUPPLEMENT TO THE GENERAL PROGRAMME FOR THE ELIMINATION OF TECHNICAL OBSTACLES TO TRADE adopted by it in May 1969. Further particulars will be found in ANNEX 1.
- ** THE ENERGY CONSUMED by all sectors of industry in the Community rose in 1971 to 318 million tce (metric tons coal equivalent), 1% more than in 1970. In view of the small improvement to be expected in the rate of growth of industrial production in 1972, the energy requirements of all sectors of industry should not rise by more than 2.5%, to reach a total of 394 million tce (including consumption for purposes other than power generation). This is the salient point in the report on energy supply and demand in the Community (the position in 1971 and outlook for 1972) recently published by the Commission of the European Communities. Some of the estimates given in the report will be found in ANNEX 2.

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The information and articles published in this Bulletin concern European scientific cooperation and industrial development in Europe. Hence they are not simply confined to reports on the decisions or views of the Commission of the European Communities, but cover the whole field of questions discussed in the different circles concerned.

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** THE PROBLEM OF THE LEAD CONTENT OF FUELS is now under examination by the Commission of the European Communities as part of a comprehensive study of the various pollutants produced by motor vehicle emissions, in accordance with the programme which it intends to develop for the protection of the environment (see IRT No. 138). The Commission recently recalled this fact in its reply to a written question from Mr Boersma, a Member of the European Parliament, on the application of the German law on the reduction of the lead content of fuels. The gist of the reply will be found in ANNEX 3.

** TRADE BETWEEN COMMUNITY MEMBER COUNTRIES INCREASED BY 14.7% in 1971, reaching \$49.1 thousand million. In its trade with non-member countries, the Community's exports rose by 12% (to \$50.6 thousand million) and its imports by 7.6% (to \$49.1 thousand million). The Community's external trade thus showed a surplus of \$1.5 thousand million, compared with the \$400 million deficit recorded in 1970. This emerges from the preliminary figures for the Community's external trade published recently by the Statistical Office of the European Communities.

** The tables below illustrate the RISE IN PRICES AND WAGES IN THE SIX COMMUNITY COUNTRIES. They are taken from the reply by the Commission of the European Communities to a written question from Mr Coosté, a Member of the European Parliament.

Rise (%) relative to the corresponding month of the previous year						
	Rate of increase in the index of gross hourly wage rates of workers in industry			Consumer price indices 1966 = 100		
	October 1970	January 1971	April 1971	September 1970	December 1970	March 1971
Belgium	13.2	13.4	14.9	4.4	3.8	4.1
France	11.7	11.3	10.3	5.7	5.6	5.2
Germany	13.7	14.0	13.0	3.9	3.9	4.6
Italy	24.3	-	17.1	5.1	5.4	4.9
Luxembourg	13.8	-	5.2	5.0	4.3	4.8
Netherlands	14.5	15.6	14.5	5.6	5.8	6.6

(NB. The consumer price indices are not fully comparable as between countries).

** TWO RESTRICTIVE AGREEMENTS IN CONFLICT WITH THE PROVISIONS OF ARTICLE 85 OF THE TREATY OF ROME were recently terminated by the parties thereto, following intervention by the Commission of the European Communities. The first involved the Vereeniging van Handelaren in Bouwmaterialen in Nederlanden (HiBiN), which maintained exclusive and reciprocal trading relations with a certain number of manufacturers and importers of an insulating building material. The second case concerned an agreement for cooperation on quality control, research and joint publicity and an aggregated rebate scheme which had been entered into by ten Dutch liquorice manufacturers.

** Two directives on the subject of the PLACING OF PUBLIC WORKS CONTRACTS were adopted by the Council of Ministers on 26 July 1971, and the Member States have 12 months in which to comply with them, (see IRT No. 110). This was referred to by the Commission of the European Communities in its reply to a written question from Miss Lulling, a Member of the European Parliament. The first of these directives was designed to abolish restrictions on the free supply of services in the field of public works contracts and on the placing of public works contracts through agencies or subsidiaries. The second directive is aimed at coordinating procedures in operation in the Member States for the award of public works contracts. Within the limits set by its prerogatives, the Commission will ensure that Community law is applied; as regards the placing of contracts for public works it will have the cooperation to this end of the Advisory Committee set up by the Decision of the Council of Ministers dated 26 July 1971.

** With the technical cooperation of the Commission of the European Communities, the Member States will adopt in the course of this year appropriate measures for carrying out COORDINATED STATISTICAL SURVEYS OF TRADING CONDITIONS IN INDUSTRY. The Council of Ministers recently approved the directive on this subject laid before it by the Commission. The statistics in question will reflect output, turnover and orders, and, at least every three months, wages, number of employees and working hours.

** THE SAFETY OF WINDSCREENS may be enhanced by a study comparing accidents to vehicles with toughened-glass and laminated-glass windscreens, carried out by Messrs Mackay, Siegel and Hight, to whom the Fund for Road Safety Studies and Research has awarded its International Prize for 1971. The Commission of the European Communities has been studying the problem of windscreens for some years and will put forward a directive on the subject in the near future as part of the exercise to eliminate technical obstacles to trade. It was therefore most interested to learn of the results of this investigation, which confirm the correctness of the lines along which its own work is proceeding.

** THE COMMITTEE ON SCIENTIFIC AND TECHNICAL INFORMATION AND DOCUMENTATION (CIDST), which consists of representatives of the Community's Member States and experts from the European Commission, has held its first meeting, in Brussels. Mr Bree, Director-General for the Dissemination of Information at the Commission of the European Communities, first outlined the project already in progress in the field of scientific documentation, after which the Committee conducted a wide-ranging exchange of views on the conditions for setting up a comprehensive European network for scientific documentation and information. The next meeting of the Committee is scheduled for next May.

** THE PROCEEDINGS OF THE THIRD SYMPOSIUM ON MICRODOSIMETRY, held in Stresa, Italy, on 18-22 October 1971, were recently published by the Commission of the European Communities. In two volumes, bearing the reference EUR 4810 d-f-e, they can be bought from the Office for Official Publications of the European Communities (Case postale 1003, Luxembourg 1).

ELIMINATION OF TECHNICAL OBSTACLES TO TRADE IN THE COMMUNITY

Supplement to the 1969 General Programme laid before the Council of
Ministers by the Commission of the European Communities

Motor cycles, aircraft, railway equipment, civil engineering plant and equipment, packaging and fuels are all to be the subject of exercises aimed, in particular, at reducing or eliminating any pollution produced by them; these exercises are part of the action for the removal of technical obstacles to trade.

As a result of the attention directed of late to environmental problems, together with the growth of trade and industrial expansion in certain sectors of recent years, the Commission of the European Communities placed before the Council of Ministers a proposed supplement to the General Programme for the elimination of technical obstacles to trade adopted by the latter body in May 1969. This supplement to the existing programme will ensure the continuity of the exercises in progress by taking in the further sectors in which harmonization is now found to be necessary.

The elimination of technical obstacles to intra-Community trade forms part of a general policy designed (a) to enable firms to take full advantage of the scale of a genuine common market, by standardizing product lines which were unnecessarily diversified for no good reason other than the Member States' differing regulations, (b) to protect the consumer by subjecting producers to detailed rules governing manufacturing and the provision of clear information on the nature of the products supplied and (c) to safeguard health and the natural environment by laying down certain mandatory minimum standards for pollution.

In order to attain these objectives laid down in the General Programme, the Commission uses as its legal instrument the harmonization of laws provided for in Article 100 of the Treaty of Rome, by means of Community directives. The method employed to secure this harmonization may vary, however, depending on the situation, in view of the fact that the field within which the Commission is required to act is extremely wide and exceptionally diverse. The Commission has to deal with problems involving motor vehicles and fertilizers, textiles and measuring instruments, pressure vessels and agricultural machinery, tools and non-electrical heating or cooking appliances, electrical installations and equipment, and foodstuffs. The problems posed by one sector, not only technically but in the economic and legal spheres, bear little resemblance with those found in another.

In certain cases the kind of harmonization contemplated is referred to as a "total" solution, i.e., national regulations are replaced by Community ones.

In other cases, when, for historical reasons or for reasons linked with national conditions, the situation in the industry concerned varies widely from one country to another, it is preferable to opt for a solution which, subject to compliance therewith, ensures that products conforming to the requirements of the directive have access to the whole of the Community market, while permitting industries which continue to address themselves solely to their national market to observe different rules. This is termed the "optional" solution.

Under the solution known as "reciprocal recognition of supervision", products conforming to the standards of other Member States and passed by them against their own criteria, are simply allowed in, on a reciprocal basis. The solution referred to as "conditional recognition of supervision" merely involves delegation of authority by agencies in the importing country to those in the exporting country, supervision being exercised in the latter according to the methods specified by the former. It is difficult to put these solutions into practice, however, and, since they do not result in the unification of laws, they do not offer all the benefits flowing from harmonized regulations.

Lastly, an attractive solution from the theoretical and practical angles is the use of standards, i.e., the set of rules of industrial practice established by standardization bodies or the industries themselves with the intention of shaping production programmes so as to optimize efficiency and improve product quality (see IRT No. 136).

When a situation of this kind exists, it may be advantageous to use this set of rules as a means of actually attaining the objectives that the Member States have set for themselves in this field. The directive states the requirements to be met if a product is to be allowed on the Community market, and these general safety requirements are specified by making reference to the harmonized standards. This approach to harmonization is termed "reference to the relevant standards".

Since the General Programme for the elimination of technical obstacles to trade was adopted in May 1969, some 47 draft directives on industrial products (e.g., motor vehicles, agricultural machinery and tractors, measuring instruments, electrical appliances and machines, textiles and crystal glass, and dangerous substances) have been laid before the Council of Ministers which has so far adopted 20 of them (see IRT Nos. 108 and 127). In the preceding years it had been possible to put through only one directive. Undeniably, therefore, the framing of a general programme, which specifies priority sectors and lays down a working framework, together with the various agreements reached meanwhile (particularly the one governing the reciprocal recognition of supervision) have enabled the work done in this area to be speeded up and rationalized.

Not all the directives provided for under this general programme have yet gone through, and a large number of proposals are in the drafting stage. The work carried out has shown, however, that there was a need to supplement the general programme at certain points in order to deal with the problems arising in sectors not covered by it. New laws, either passed or contemplated by the Member States, on subjects not falling within the general programme (particularly measures concerned with environmental protection) have thrown up fresh problems and changed the priorities. This made it necessary for the

Commission of the European Communities to extend the scope of its ability to take action by supplementing the general programme for the elimination of technical obstacles to trade.

The Programme Supplement recently submitted by it (which, it should be emphasized, is not definitive, but will have other proposals added to it whenever changes in the situation so demand) envisages that the Commission will present to the Council of Ministers, not later than 1 January 1974, and with a view to the Council reaching a decision not later than 1 July 1974, proposed directives dealing with the following sectors:

- motor cycles (type approval, air pollution, noise level, lighting systems, etc.);
- railway equipment (locomotives: air pollution and other technical aspects; other rolling stock, and stationary equipment);
- aircraft (certification, air pollution, noise level, airborne equipment);
- packaging (composition, capacity, other technical aspects);
- school equipment (furniture, other items for use in schools);
- sporting guns and ammunition;
- equipment using ionizing radiation;
- telecommunications equipment (telephones and other terminals, switchgear, transmission equipment);
- civil engineering plant and equipment (type approval, noise level, protective devices, etc.);
- firefighting and anti-fire equipment (couplings, cocks and valves, etc.);
- personal protective equipment and clothing;
- fuel (composition, other technical aspects).

ENERGY SUPPLY AND DEMAND IN THE COMMUNITY: POSITION IN 1971 -OUTLOOK FOR 1972

The internal consumption of energy in the Community in 1971 amounted to some 871 million tce (metric tons coal equivalent) - up by 3.1% on 1970. This fall in the rate of growth in the internal consumption of energy reflects the slowdown in general economic expansion.

For 1972, a moderate rise in energy consumption can be expected, possibly by up to 3.7% if business activity holds steady. Internal consumption would then exceed 900 million tce, 60% of which would be imported. The following table shows the trend followed by the various energy-source products in covering the internal consumption expected for 1972:

	Coal equivalent	Lignite equivalent	Petroleum equivalent	Natural gas	Primary electricity; others	Total
Fraction of total (%)	18.3	3.7	60.3	12.2	5.5	100
Variation, 1972/71 (%)	-6.9	+2.1	+4.5	+18.6	+5.0	+3.7

Unlike the position in 1971, the trend in energy consumption in 1972 will not present the same picture in the various Community countries: consumption may fall by 3% in Luxembourg, rise by no more than 3% in France, and show a very slightly higher growth rate in the other countries.

Energy consumed by industry (all sectors) rose in 1971 to 318 tce, i.e., by 1% relative to 1970. This slackening in the growth of industry's energy consumption affected all forms of energy in a broadly similar manner, with the exception of natural gas, which maintained a high growth rate (+17.3%), chiefly owing to structural conversion projects carried out at industrial plants.

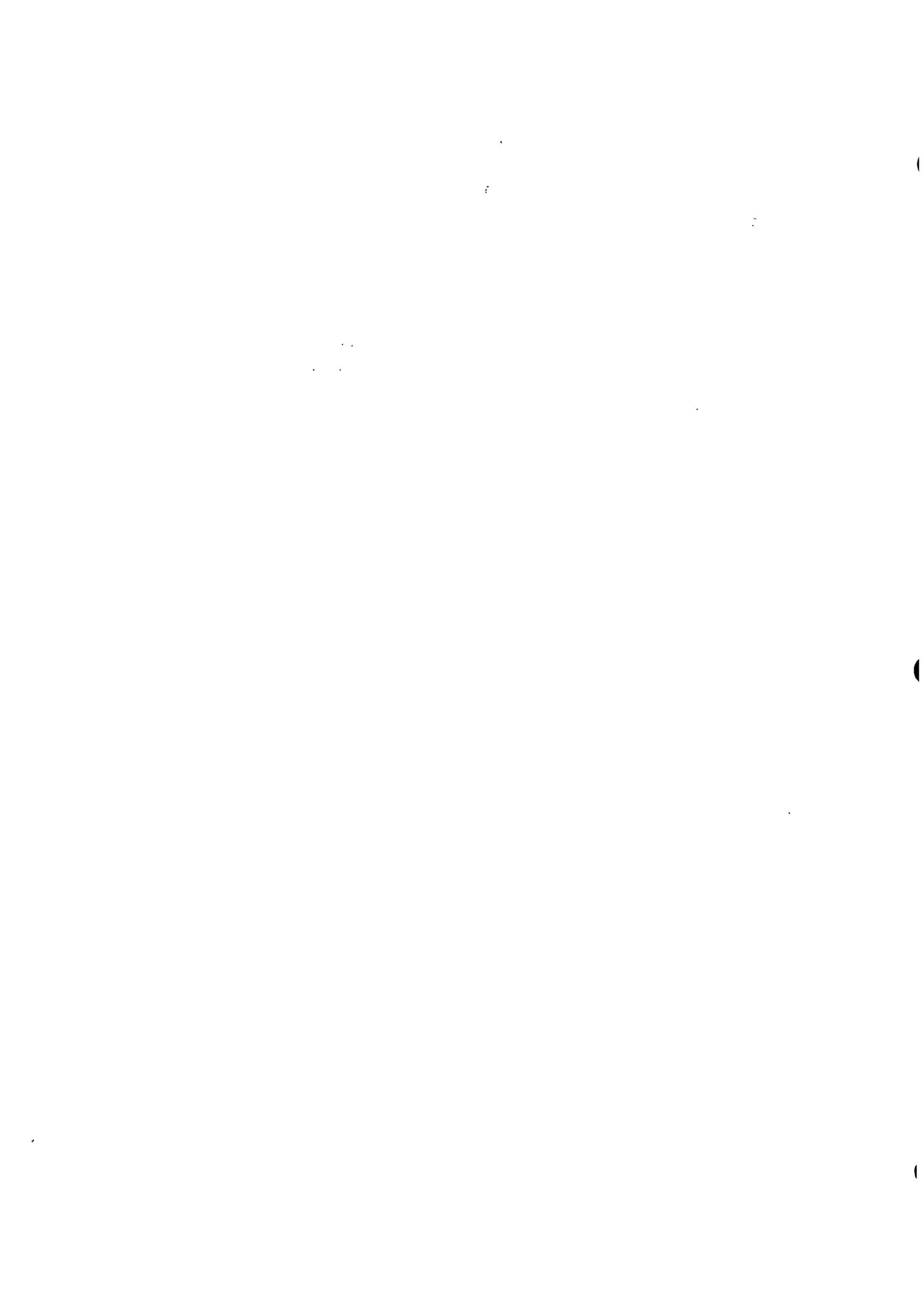
In 1972, in view of the slight foreseeable improvement in the growth rate of industrial output, the energy requirements of all the industrial sectors are not expected to increase by more than 2.5%. These industrial requirements, which comprise consumption for energy-producing (+2.3%) and other purposes (+2.3% and +3.8% respectively) may total 394 million tce.

In 1971, the iron and steel industry's energy requirements fell by about 1%, with the drop chiefly affecting coke (-5.8%) and coking-plant and blast-furnace gas (-6.2%). A slight rise in pig iron and steel output in 1972 will, it is believed, in turn raise energy requirements by about 1%. This increase will be mainly due to the steady uptrend in the output of electric-furnace steel, with additional electricity consumption of about 4%.

Energy consumption by the chemical industry continued to grow at a rate of almost 4%. This sector accounted for 12% of the total internal energy consumption in 1971, both energy producing and other uses being taken into account. This makes it the most important sector of industry; it accounts for 27% of industry's requirements, compared with 25% for the iron and steel industry. In 1972, the chemical industry's energy requirements might undergo an even more marked slowdown than that which took place last year, with the effects of the general economic slowdown in 1971 working through to this sector with a certain time-lag. Energy consumption for all purposes in the chemical industry is expected to rise by 5.5%, with 11% growth in the case of natural gas and 3.5% in petroleum products.

Energy consumption by the transport industries amounted to 113 million tce (+4%). Rail transport was most affected by the slackening in business activity. In 1972, the transport sector should feel a slight improvement owing to growth in air transport, chiefly due to cuts in certain rates.

The demand for energy in the domestic sector grew more slowly in 1971, reaching 282 million tce, 4.9% more than in 1970. Solid fuels lost ground more rapidly than previously (-20%); natural gas kept up its huge growth rate (+34%), and electricity demand also grew fast (+9.2%). Liquid fuels also showed substantial expansion (+7.3%), although this was lower than in the past. The picture is not expected to change much in 1972: the fall in the consumption of solid fuels and town gas will create openings for the substitution of about 5 million tce of hydrocarbons. Six-tenths of the real increase in requirements is therefore expected to be covered by natural gas and petroleum products and four-tenths by electricity and heat.



THE PROBLEM OF REDUCING THE LEAD CONTENT IN FUELS

(Selected extracts from the reply by the Commission of the European Communities to a written question from Mr Boersma, Member of the European Parliament, on the application of the German law for the reduction of the lead content in fuels).

In the opinion of the Commission of the European Communities, the protection and improvement of the environment constitute an objective which is of vital interest to the whole Community, and action with a view to the adoption of comprehensive and effective measures at Community level is urgently needed.

However, with regard to the German law for the reduction of the lead content of fuels, the Commission is not yet in a position, from the information in its possession, to form the conclusion that reducing the lead content to 0.15 gram per litre of petrol, the level prescribed by that law for 1 January 1976, constitutes a comprehensive and effective measure. Unlike the Germans, most of the experts from other Member States whose opinions have been obtained took the view that it could not be ruled out that the reduction of the lead content of petrols to the level specified for 1 January 1967 could result in an increase in the aromatic compounds in petrol, with a consequent rise in the toxicity of exhaust gases, if fuels are to retain the properties that they have at present.

If that were the case, the beneficial effects which might flow from reducing the lead content - which makes up only a small fraction of motor vehicle emissions - would be nullified by the noxious effects that an increase in the aromatics content would bring with it, so the desired aim would in no way be attained. Furthermore, government experts, always excluding West Germany, pointed out that major structural modifications to engines would be required in order to avoid the undesirable effects on them attendant upon the reduction of the lead content, or to preclude losses in efficiency. In the opinion of the Commission, the best way to avoid the creation of the new obstacles to trade which it fears may arise from the application of the German law in question would be for it to formulate proposed Community regulations and thus combat the hazards to public health throughout the Community.

In this connection, it points again to the fact that, as part of its programme for the elimination of technical obstacles to trade in industrial products, it presented to the Council, on 19 October 1969, a proposed directive on air pollution due to motor vehicles. This directive was adopted by the Council on 20 March 1970 and came into force on 1 October 1971.

As regards the problem of lead, the Commission points out that the matter is now under examination as part of an overall study on the various pollutants due to emissions from motor vehicles, in accordance with a programme for action which it intends to develop in the field of environmental protection, and which it defined recently in a document just transmitted to the Council of Ministers (see IRT No. 138).

In the opinion of the Commission, if Community regulations on the particular subject are lacking, a Member State may itself take steps to safeguard human health, where such steps comply with the rules of the Treaty.

The Commission has informed the Governments of the Member States of its wish to be apprised of measures which they intend to take for the protection of the environment, as soon as they are contemplated - should they not be disclosed anyway in accordance with the provisions of the Treaties - and to receive copies of such measures in draft form.

This procedure would enable the Commission to make in due time any suggestions likely to speed up the formulation of common solutions to problems in this field and, in any event, to avoid the introduction of legislation which might jeopardize the attainment of the Community's objectives.